

## Auction results in October 2020

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/Price/ Simple interest
9.10.2020	Auction	RIKB 23 0515	10,688	10,588	1.85
9.10.2020	Auction	RIKS 33 0321	3,045	2,745	0.49
23.10.2020	Auction	RIKB 25 0612	4,950	4,350	2.57
23.10.2020	Auction	RIKS 33 0321	1,829	1,629	0.67
29.10.2020	Auction	RIKV 21 0517	12,550	10,800	1.19
29.10.2020	Auction	RIKV 21 0915	1,300	300	1.14

## Treasury bond issuance in Q4/2020

Amounts in b.kr.	Maximum	Actual
RIKB 23 0515	-	10.5
RIKB 25 0612	-	5.8
RIKS 33 0321	-	7.1

## Treasury bond issuance as of 31 October 2020

### Regular auctions

### Bond series

Amounts in b.kr.	Sales value
RIKB 21 0805	49.2
RIKB 23 0515	44.6
RIKB 25 0612	9.4
RIKB 28 1115	7.8
RIKB 31 0124	8.6
RIKS 26 0216	4.4
RIKS 33 0321	11.2
Total issued this year	135.3

## Switch auction this year

Amounts in b.kr.	Sold*	Bought*
RIKB 22 1026	3.3	
RIKS 26 0216	2.6	
RIKS 21 0414		4.7

\* Nominal amount

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The information in this publication is from the Central Bank of Iceland and from data vendors that are considered reliable.

The information is as of the last month-end unless otherwise specified.

Government Debt Management cannot be held liable for possible errors, typographical or otherwise, that may appear in Market Information. Comments on the contents of this publication may be submitted to [lanamal@sedlabanki.is](mailto:lanamal@sedlabanki.is).

## Benchmark issues, attributes

### Domestic marketable debt

Issues	ISIN	Date of issue (d.m.y)	Maturity date	Interest. %	Type of bond	Duration*	Years to maturity
<i>T - bills</i>							
RIKV 20 1116	IS0000031789	3.2.2020	16.11.2020	0.00	Bullet	0.04	0.04
RIKV 20 1215	IS0000031920	2.6.2020	15.12.2020	0.00	Bullet	0.13	0.12
RIKV 21 0115	IS0000031797	3.2.2020	15.1.2021	0.00	Bullet	0.21	0.21
RIKV 21 0215	IS0000032183	4.8.2020	15.2.2021	0.00	Bullet	0.30	0.29
RIKV 21 0915	IS0000032316	1.10.2020	15.9.2021	0.00	Bullet	0.89	0.87
<i>Nominal T-bonds</i>							
RIKB 21 0805	IS0000031482	5.8.2019	5.8.2021	3.50	Bullet	0.76	0.76
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	1.92	1.98
RIKB 23 0515	IS0000032191	15.5.2020	15.5.2023	1.50	Bullet	2.49	2.54
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	4.01	4.61
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	6.64	8.04
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	7.83	10.23
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	0.45	0.45
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	5.09	5.29
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	8.54	9.66
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	10.64	12.38
Average of benchmark series						4.5	5.3

\* Macaulay.

### Foreign marketable debt

Issues	ISIN	Date of issue	Maturity date	Interest. %	Type of bond	Duration*	Years to maturity
	US451029AE22						
USD 5,875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	1.47	1.52
EUR 0,5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	2.12	2.14
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.100	Bullet	3.63	3.63
EUR 0,625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.625	Bullet	5.50	5.59
Average of benchmark series						3.6	3.7

\* Macaulay.

### Government debt

Domestic central government debt 31 October 2020 in m.kr.

Issues	Nominal amount. beg. of month	Inflation compensation	Issue/ buybacks nominal	Inc. inflation compensation. end of month	Years to maturity	Market value	% of domestic debt
<i>T-bills</i>							
RIKV 20 1005	22,850		-22,850	0	0.00	0	0.0
RIKV 20 1116	26,752		0	26,752	0.04	26,744	2.9
RIKV 20 1215	20,850		0	20,850	0.12	20,823	2.3
RIKV 21 0115	30,610		0	30,610	0.21	30,533	3.3
RIKV 21 0215	14,500		35,850	50,350	0.29	50,164	5.4
RIKV 21 0915	0		1,200	1,200	0.87	1,185	0.1
<b>Total</b>	<b>115,562</b>			<b>129,762</b>	<b>0.20</b>	<b>129,449</b>	<b>14.0</b>
<i>Nominal T-bonds</i>							
RIKB 21 0805	60,234		0	60,234	0.76	61,270	6.5
RIKB 22 1026	81,059		3,295	84,354	1.99	93,414	9.1
RIKB 23 0515	34,305		10,588	44,893	2.54	44,579	4.9
RIKB 25 0612	94,488		4,665	99,153	4.61	122,900	10.7
RIKB 28 1115	72,070		0	72,070	8.04	83,118	7.8
RIKB 31 0124	100,416		0	100,416	10.23	131,224	10.9
<b>Total</b>	<b>442,572</b>			<b>461,120</b>	<b>5.19</b>	<b>536,504</b>	<b>49.8</b>
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	62,171	19,886	-4,698	77,359	0.45	79,138	8.4
RIKS 26 0216	24,116	2,378	2,486	28,979	5.30	31,556	3.1
RIKS 30 0701	73,727	21,348	0	95,076	9.67	121,269	10.3
RIKS 33 0321	36,694	10,258	4,374	51,327	12.39	66,484	5.5
<b>Total</b>	<b>196,708</b>	<b>53,870</b>		<b>252,741</b>	<b>6.90</b>	<b>298,446</b>	<b>27.3</b>
<i>Other central government debt *</i>							
Inflation-linked debt				31,554	6.01		3.4
Nominal debt				50,001	0.04		5.4
<b>Total domestic debt</b>				<b>925,177</b>	<b>4.70</b>		<b>100.0</b>

\*Mostly loan from Il-fund and government indexed debt due to the National Power Company. (Landsvirkjun) and assumed gov. Guarantees

### Foreign central government debt

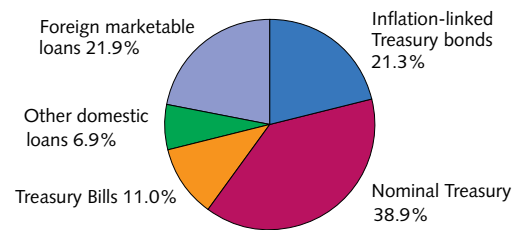
Issues	Issued nominal amount (millions)	Remaining nominal amount	Nominal amount ISK (m.kr.)	Years to maturity
<i>Foreign bonds</i>				
USD 5,875% 11 May 2022	1,000	92	12,937	1.52
EUR 0,5% 20 Dec 2022	500	500	82,165	2.14
EUR 0,1% 20 Jun 2024	500	500	82,165	3.63
EUR 0,625% 3 Jun 2026	500	500	82,165	5.59
<b>Total</b>			<b>259,432</b>	<b>3.67</b>
<b>Foreign debt</b>			<b>259,432</b>	<b>3.67</b>

### Central government debt. total in m.kr.

	<i>Nominal incl./ inflation compensation</i>	<i>Weighted time to maturity</i>
Nominal debt	640,882	3.78
Inflation-linked debt	284,294	6.80
Foreign currency debt	259,432	3.67
<b>Total</b>	<b>1,184,608</b>	<b>4.48</b>
<b>Total debt as percentage of GDP *</b>		<b>41.1</b>

\* GDP is from the latest edition of Monetary Bulletin published by Central bank of Iceland

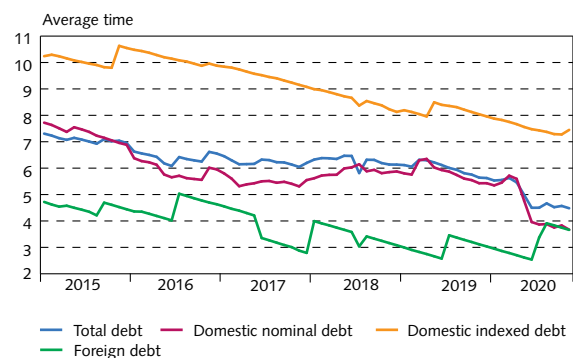
### Total market value of benchmark issues



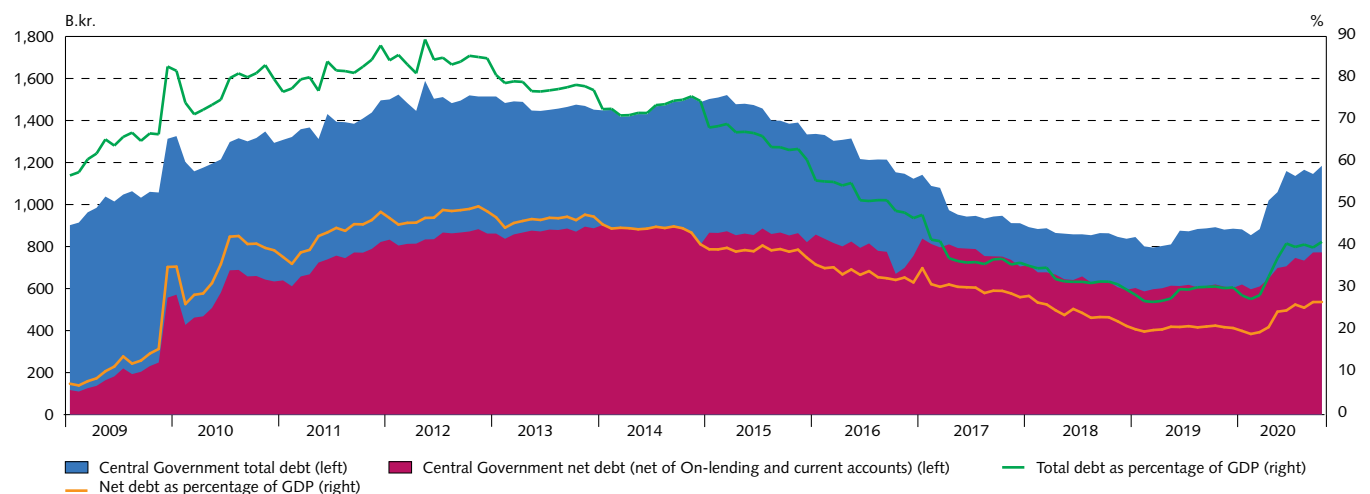
### Net debt in m.kr.

<i>On-lending and cash at the Central bank</i>	<i>Nominal incl./ inflation compensation end of month</i>
Nominal on - lending	21,949
Inflation-linked on - lending	35,760
FX linked on - lending	7,925
Cash ISK	123,113
Cash FX	224,353
<b>Total on-lending</b>	<b>413,099</b>
Nominal debt	495,820
Inflation-linked debt	248,534
Foreign currency debt	27,154
<b>Net central government debt</b>	<b>771,509</b>
<b>Total net debt as percentage of GDP</b>	<b>26.8</b>

### Average Time to Maturity



### Changes in central government debt



## Swaps

31 October 2020

Inflation swaps in ISK (m.kr.)

Year	New		Expired		Outstanding at year-end	
	Number of contracts	Nominal amount	Number of contracts	Nominal amount	Number of contracts	Nominal amount
2018	22	28,000	0	0	22	28,000
2019	0	0	0	0	22	28,000
2020	0	0	0	0	22	28,000
2021	0	0	20	26,000	2	2,000
2022	0	0	0	0	2	2,000
2023	0	0	0	0	2	2,000
2024	0	0	0	0	2	2,000
2025	0	0	2	2,000	0	0
2026	0	0	0	0	0	0

Interest rate type (m.kr.)

	Without swaps		With swaps	
	Nominal amount with accrued indexation (ISK)	Proportion. %	Nominal value with accrued indexation (ISK)	Proportion. %
Icelandic fixed interest rates	461,120	39	461,120	39
Icelandic indexed interest rates	284,294	24	254,442	22
Icelandic floating interest rates	179,763	15	207,763	18
Foreign fixed interest rates	259,432	22	259,432	22
Foreign floating interest rates	0	0	0	0
Total	1,184,608	100	1,182,756	100

Effect of swaps on Treasury debt (m.kr.)

	Nominal amount with accrued indexation (ISK)	Market value (ISK)	Proportion. %	Duration
<i>Government debt</i>				
Nominal debt	640,882	729,502	54	3.44
Inflation-linked debt	284,294	339,402	24	6.43
Foreign currency debt	259,432	273,511	22	3.64
Total	1,184,608	1,342,414	100	4.24
<i>Government debt with swaps</i>				
Nominal debt	668,882	757,499	57	3.32
Inflation-linked debt	254,442	308,134	22	6.96
Foreign currency debt	259,432	273,511	22	3.64
Total	1,182,756	1,339,144	100	4.22



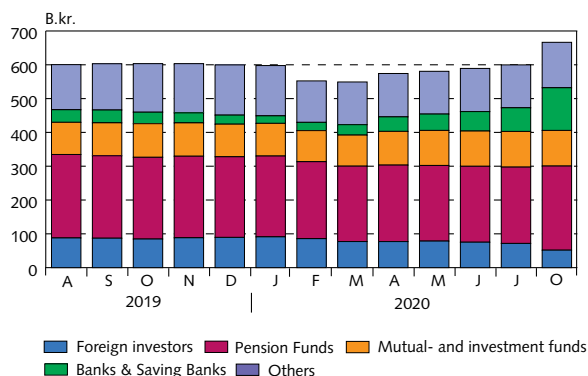
### Investors T-bonds and bills

#### Owners of T-bonds and bills 31 October 2020\*

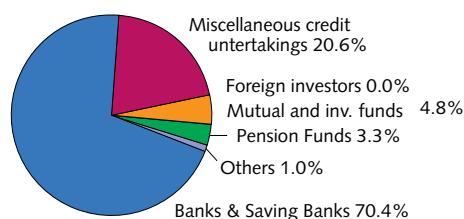
Nominal value in m.kr.	RIKB 21	RIKB 22	RIKB 23	RIKB 25	RIKB 28	RIKB 31	RIKS 21	RIKS 26	RIKS 30	RIKS 33	Total	Bills total
<b>Domestic investors</b>												
Banks & Saving Banks	30,383	30,793	31,795	14,778	3,569	7,560	3,854	1,251	1,078	1,228	126,290	91,350
Miscellaneous credit undertakings	4,525	4,843	100	650	0	69	20,809	5,055	12,177	12,810	61,037	26,700
Mutual and inv. funds	13,200	13,396	4,820	13,132	9,231	8,557	13,428	12,199	12,216	5,169	105,347	6,166
Pension Funds	4,367	22,394	7,227	48,826	36,294	53,828	12,244	2,985	44,401	16,246	248,812	4,262
Firms	367	1,524	288	1,720	1,060	947	790	519	808	1,305	9,328	995
Households	134	1,775	0	1,406	317	225	2,615	624	804	2,164	10,065	40
Others	1,993	4,887	1,073	10,869	9,835	9,811	2,864	7,059	2,992	2,562	53,944	250
Foreign investors	5,265	4,841	0	8,043	12,693	19,898	869	0	1	60	51,671	0
<b>Total</b>	<b>60.234</b>	<b>84.454</b>	<b>45.303</b>	<b>99.423</b>	<b>73.000</b>	<b>100.896</b>	<b>57.473</b>	<b>29.692</b>	<b>74.477</b>	<b>41.543</b>	<b>666.495</b>	<b>129.762</b>

\* Included securities lending from the issuer to the primary dealers. From October 2020, owners are categorized according to the international statistical standard for national accounts (SNA08), adopted by the United Nations Statistical Commission.

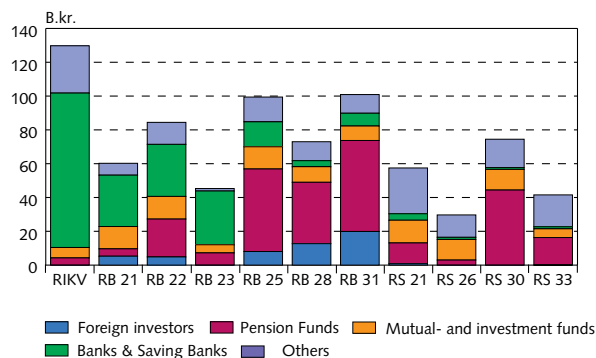
#### Owners of T-bonds 31 October 2020\*



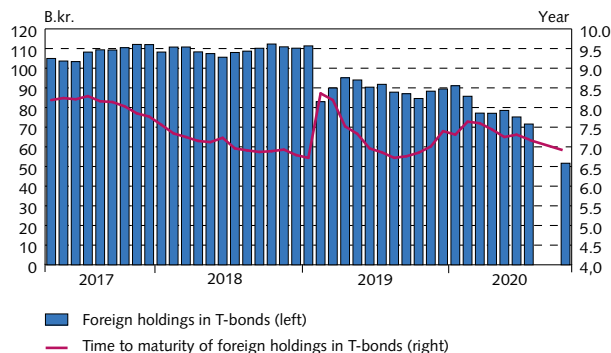
#### Owners of T-bills 31 October 2020\*



#### Owners of marketable T-bonds and bills 31 October 2020\*



#### Time to maturity of non-residents' holdings in T-bond and -bills 31 October 2020\*



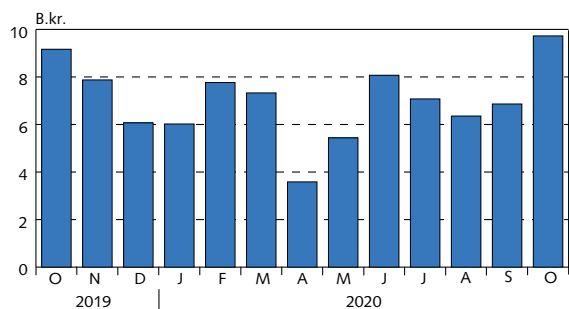
\* Information on this page is based on the most recent data from the Icelandic Securities Depository and banks.



# Market Information

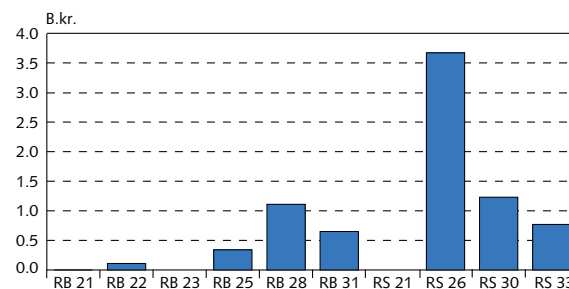
## Securities lending facility, redemption profile, yield curves and turnover

Average amount in the security lending facility\* of GDM at market value

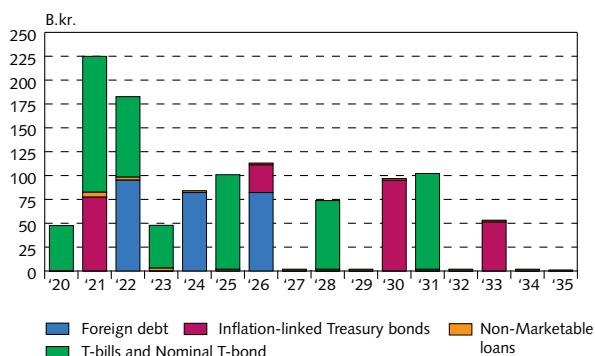


\* Calculated at market price.

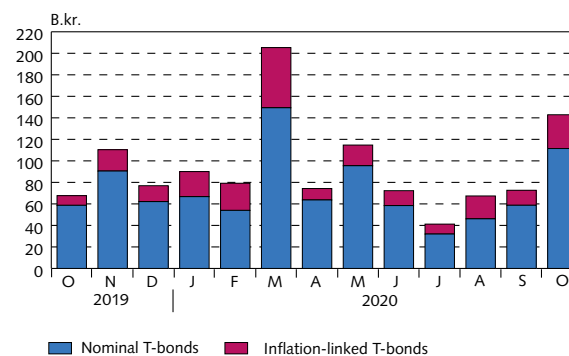
Outstanding amount in the securities lending facility\* by series at the end of last month



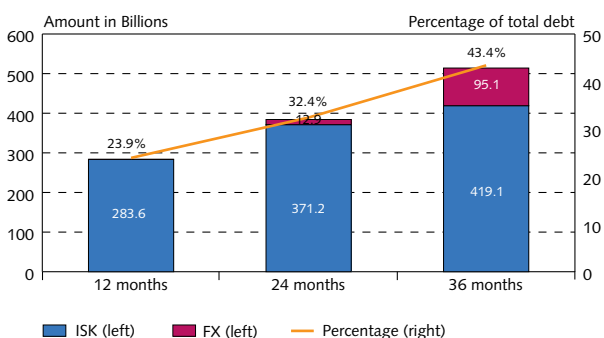
Redemption profile of government debt



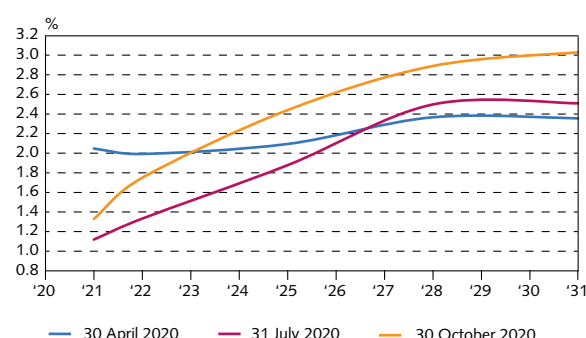
Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange



Percentage of debt maturing next;



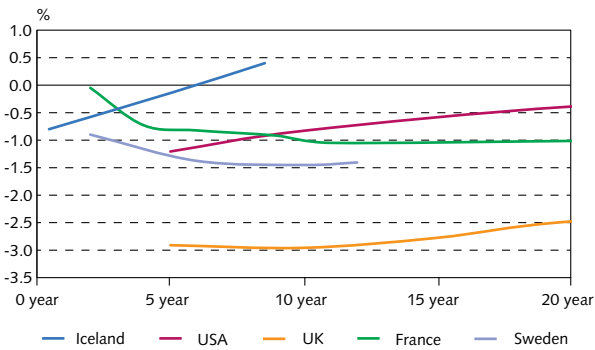
Nominal yield curves



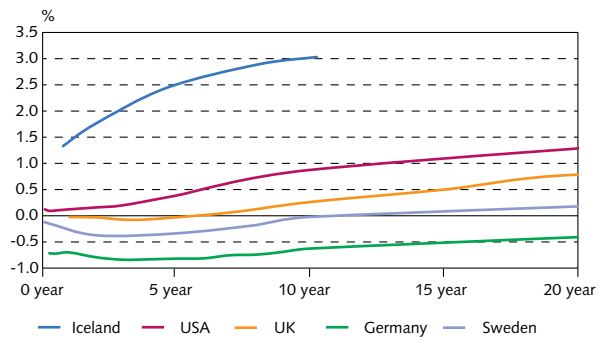


# Market Information

### Yield curve inflation-linked T-bonds

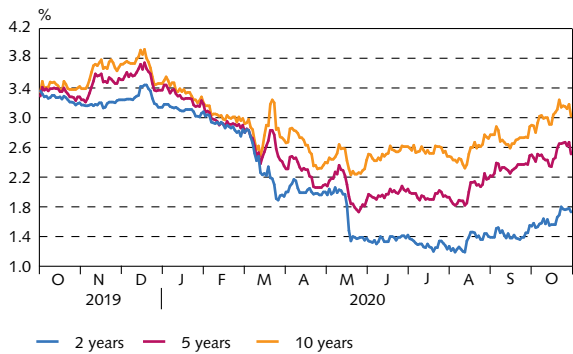


### Yield curve Treasury bills and nominal T-bonds



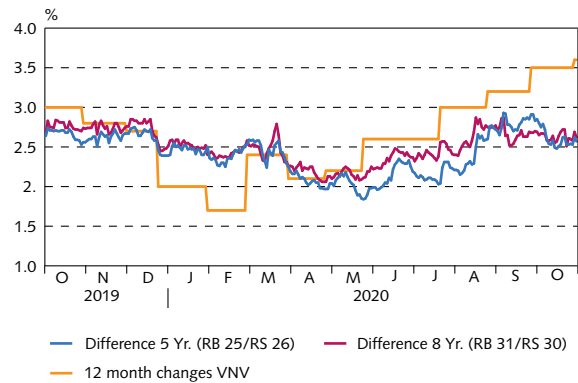
## Yield for Treasury bonds

### Generic Yield



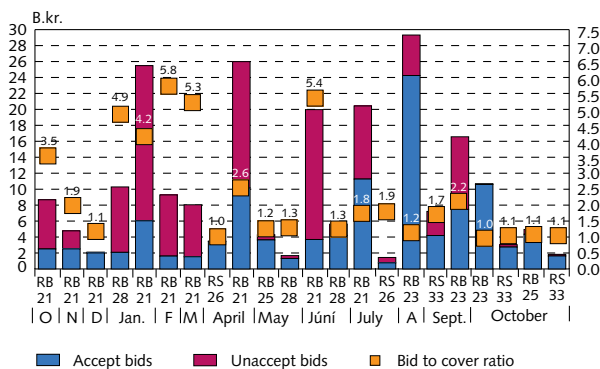
## Inflation premium

### Inflation premium nominal T-bonds



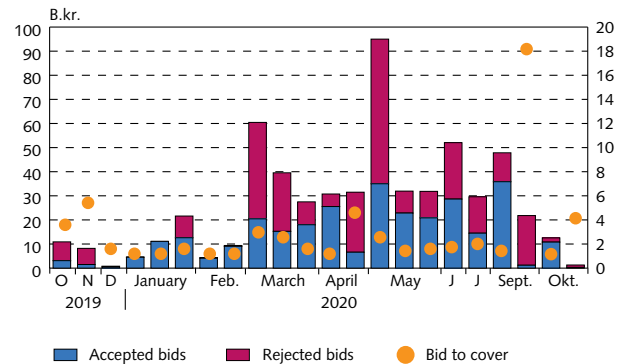
## Auctions of Treasury bonds

### Treasury bonds at market value



## Auctions of Treasury bills

### Treasury bills at market value





### Auctions of Treasury bonds and bills

Auction in 2020. in m.kr.

Date		Offers		No. of bids	No. of acc. bids	Yield %	Acc. bids		Non comp. auction nominal v.	Total value	
		Market value	Nominal value				Market value	Nominal value			
<b>Nominal T-Bonds</b>											
10.01.20	RIKB 28 1115	10,281	9,212	49	10	3.45	2,078	1,862	186	2,286	
31.01.20	RIKB 21 0805	25,486	25,331	43	16	3.07	6,037	6,000	439	6,478	
21.02.20	RIKB 21 0805	9,282	9,200	39	10	2.85	1,614	1,600	43	1,657	
20.03.20	RIKB 21 0805	8,045	7,892	36	6	2.04	1,529	1,500	143	1,674	
03.04.20	RIKB 21 0805	17,552	17,250	33	30	2.14	11,752	11,550	740	12,505	
17.04.20	RIKB 21 0805	25,987	25,540	36	31	2.10	10,175	10,000	445	10,628	
08.05.20	RIKB 25 0612	4,263	3,340	21	18	2.19	3,625	2,840	0	3,625	
08.05.20	RIKB 28 1115	1,674	1,400	12	10	2.42	1,316	1,100	0	1,316	
05.06.20	RIKB 21 0805	19,973	19,480	14	2	1.27	3,691	3,600	300	3,999	
05.06.20	RIKB 28 1115	5,617	4,700	38	25	2.41	4,206	3,520	0	4,206	
03.07.20	RIKB 21 0805	20,435	19,950	18	7	1.21	11,268	11,000	1,000	12,292	
21.08.20	RIKB 23 0515	29,322	29,470	52	30	1.69	24,247	24,370	2,435	26,670	
21.08.20	RIKB 31 0124	8,590	6,350	19	18	2.59	8,454	6,250	140	8,644	
18.09.20	RIKB 23 0515	16,568	16,650	22	13	1.69	7,463	7,500	0	7,463	
09.10.20	RIKB 23 0515	10,594	10,688	26	25	1.85	10,495	10,588	0	10,495	
23.10.20	RIKB 25 0612	6,106	4,950	11	9	2.57	5,366	4,350	315	5,755	
<b>Total</b>		<b>219,775</b>	<b>211,403</b>				<b>113,317</b>	<b>107,630</b>	<b>6,185</b>	<b>119,693</b>	
<b>Indexed T-Bonds</b>											
03.04.20	RIKS 26 0216	3,473	3,250	11	10	0.32	3,458	3,050	134	3,610	
03.07.20	RIKS 26 0216	1,438	1,309	7	2	-0.25	767	649	0	767	
04.09.20	RIKS 33 0321	7,209	5,385	48	19	0.25	4,190	2,522	0	4,190	
09.10.20	RIKS 33 0321	3,965	3,045	20	17	0.49	4,457	2,745	0	4,457	
23.10.20	RIKS 33 0321	2,334	1,829	16	15	0.67	2,597	1,629	0	2,597	
<b>Total</b>		<b>18,419</b>	<b>14,818</b>				<b>15,470</b>	<b>10,595</b>	<b>134</b>	<b>15,622</b>	
										<b>Total value</b>	<b>135,315</b>
<b>Switch auction</b>											
23.10.20	RIKB 22 1026	3,648	3,295	6	6	1.74	3,648	3,295	0	3,648	
23.10.20	RIKS 26 0216	2,786	2,586	8	7	0.04	2,917	2,486	0	2,917	
<b>Total</b>		<b>6,434</b>	<b>5,881</b>				<b>6,565</b>	<b>5,781</b>	<b>0</b>	<b>6,565</b>	
<b>T-Bills</b>											
30.01.20	RIKV 20 0715	4,533	4,600	17	16	3.24	4,435	4,500			
30.01.20	RIKV 20 1116	10,814	11,102	12	12	3.34	10,814	11,102			
30.01.20	RIKV 21 0115	20,928	21,610	14	11	3.38	12,212	12,610			
27.02.20	RIKV 20 0715	4,351	4,400	15	12	3.02	4,054	4,100			
27.02.20	RIKV 20 1116	9,194	9,400	18	15	3.12	8,851	9,050			
30.03.20	RIKV 20 0513	60,293	60,450	5	3	2.23	20,397	20,450			
30.03.20	RIKV 20 0715	39,307	39,550	20	14	2.12	15,156	15,250			
30.03.20	RIKV 21 0115	27,023	27,500	24	14	2.20	17,688	18,000			
29.04.20	RIKV 20 0805	30,577	30,750	14	12	2.19	25,406	25,550			
29.04.20	RIKV 20 1116	31,148	31,500	20	5	2.08	6,526	6,600			
11.05.20	RIKV 20 0615	94,813	95,000	17	13	2.15	34,931	35,000			
28.05.20	RIKV 20 1005	31,812	31,950	20	8	1.25	22,751	22,850			
28.05.20	RIKV 20 1215	31,625	31,850	18	8	1.31	20,702	20,850			
29.06.20	RIKV 20 0915	51,938	52,050	27	16	1.15	28,588	28,650			
30.07.20	RIKV 21 0215	29,417	29,600	18	14	1.15	14,410	14,500			
29.09.20	RIKV 21 0215	47,641	47,850	16	13	1.15	35,694	35,850			
29.09.20	RIKV 21 0915	21,570	21,800	9	3	1.10	1,187	1,200			
29.10.20	RIKV 21 0517	12,469	12,550	12	6	1.19	10,730	10,800			
29.10.20	RIKV 21 0915	1,287	1,300	4	3	1.14	297	300			
<b>Total</b>		<b>560,740</b>	<b>564,812</b>				<b>294,832</b>	<b>297,212</b>			



## Primary dealers

<i>Primary dealers in government securities</i>	<i>Telephone</i>	<i>Bloomberg</i>
Íslandsbanki	+354 440 4000	ISLA
Arion banki	+354 444 6000	ARIO
Kvika banki hf.	+354 540 3200	KVIK
Landsbankinn	+354 410 4000	LAIS

## Auctions of the month

18 November 2020	Central Bank Policy Rate
20 November 2020	Auction of Treasury bonds
27 November 2020	CPI announcement
27 November 2020	Auction of Treasury bills
4 December 2020	Auction of Treasury bonds

## Iceland Sovereign Credit Rating

	<i>Confirm</i>	<i>Foreign currency</i>		<i>Domestic currency</i>		<i>Outlook</i>
		<i>Long-Term</i>	<i>Short-Term</i>	<i>Long-Term</i>	<i>Short-Term</i>	
Moody's	November 2019	A2		A2		Stable
S&P	May 2020	A	A-1	A	A-1	Stable
Fitch	October 2020	A	F-1+	A	F-1+	Negative



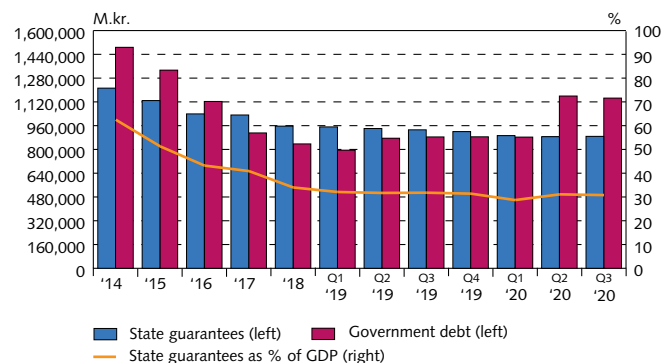
### State guarantees<sup>1</sup>

#### State guarantees 2016-2020

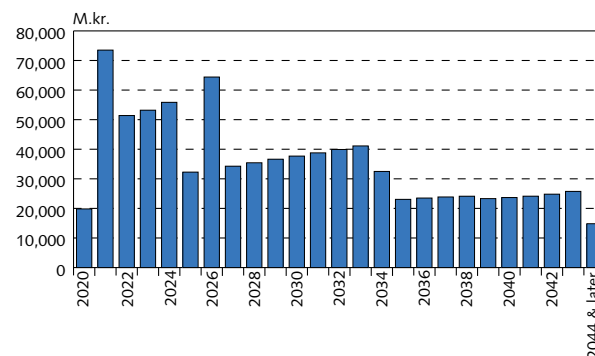
M.kr.	Q3 2020	Outstanding end of year			
		2019	2018	2017	2016
Lending agencies	811,693	825,323	849,610	865,609	830,231
ÍL - Fund	742,130	753,380	777,716	794,068	821,180
Regional Development Fund	11,896	13,046	11,569	9,970	9,051
Icelandic Student Loan Fund	57,666	58,897	60,325	61,572	0
Co-operative and Limited Partnerships	73,154	92,010	104,596	163,766	207,073
National Power Company sf.	67,823	86,546	93,430	152,567	195,048
RARIK ohf. (Iceland State Electricity)	829	901	1,069	1,242	1,483
Farice ehf.	0	0	5,508	5,547	5,652
Isavia ohf.	991	1,034	1,123	1,213	1,401
RUV ohf. (National Broadcasting Service)	3,147	3,062	3,012	2,573	2,886
Other	364	467	454	624	603
Industries/ Municipalities	9,171	2,654	2,603	2,450	1,872
NIB - Nordic Investment Bank	3,169	2,654	2,603	2,450	1,862
NIB - Nordic Investment Bank	3,169	2,654	2,603	2,450	1,862
Business Supplemental and Support loans	6,002	0	0	0	0
Other	0	0	0	0	10
<b>State Guarantees total</b>	<b>894,018</b>	<b>919,987</b>	<b>956,809</b>	<b>1,031,825</b>	<b>1,039,177</b>

1. Government of Iceland has guaranteed 90% of a revolving credit facility to Icelandair of \$120 million, in total \$108 million or 15 blSK.

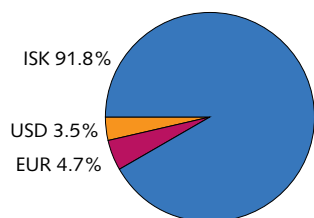
#### State guarantees - government debt and GDP 2014-2020



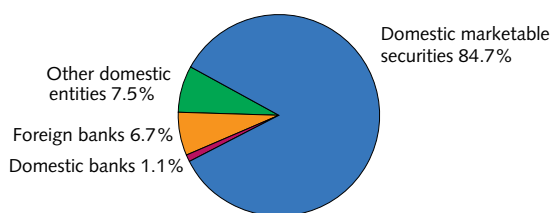
#### State guarantees - Maturity profile



#### Currency ratio



#### Type of lenders



#### Interest rate type

